Montana Board of Oil and Gas Conservation
Environmental Assessment

Operator: Mountain View Energy
Well Name/Number: Red Creek 61
Location: NW SE Section 1 T37N R5W
County: Glacier **MT; Field (or Wildcat)** Red Creek

Air Quality

(possible concerns)
Long drilling time: No, 4 to 5 days drilling time.
Unusually deep drilling (high horsepower rig): No, single derrick drilling rig to drill to 2900' TD.
Possible H2S gas production: Yes, slight low ppm H2S associated with Cut Bank/Madison Oil Production.
In/near Class I air quality area: No Class I air quality area.
Air quality permit for flaring/venting (if productive): Yes, DEQ air quality permit required under 75-2-211.

Mitigation:
_X_ Air quality permit (AQB review)
__ Gas plants/pipelines available for sour gas
__ Special equipment/procedures requirements
__ Other:
Comments: No special concerns – using small rig to drill to 2900' TD.

Water Quality

(possible concerns)
Salt/oil based mud: No, freshwater, freshwater mud system and/or air & air mist.
High water table: None expected.
Surface drainage leads to live water: No, nearest drainage is an unnamed ephemeral tributary drainage to the Red River, about 1/32 of a mile to the west and south from this location.
Water well contamination: No, closest water wells are about 5/8 of a mile to the south and ¾ of a mile to the southwest from this location. All other wells are 3/4 of a mile or further away in any direction. Deepest of these water wells are 203' and shallower. This well will drill to 350' with freshwater and or air mist, set 350' of steel surface casing and cement it to surface to protect surface and ground waters.
Porous/permeable soils: No, sandy bentonitic soils.
Class I stream drainage: No Class I stream drainages.

Mitigation:
__ Lined reserve pit
_X_ Adequate surface casing
__ Berms/dykes, re-routed drainage
__ Closed mud system
__ Off-site disposal of solids/liquids (in approved facility)
__ Other:
Comments: 350' of surface casing will be set and cemented to surface adequate to protect freshwater zones. Also, fresh water mud systems to be used.

Soils/Vegetation/Land Use

(possible concerns)
Steam crossings: No, no streams will be crossed.
High erosion potential: No, small cut, up to 0.4' and small fill, up to 3.9', required.
Loss of soil productivity: No, location will be restored after drilling, if nonproductive. If productive unused portion of drillsite will be reclaimed.
Unusually large wellsite: No, 200'X200' location size required.
Damage to improvements: Slight, surface use is cultivated field.
Conflict with existing land use/values: Slight, surface use cultivated field.

Mitigation
__ Avoid improvements (topographic tolerance)
__ Exception location requested
X Stockpile topsoil
__ Stream Crossing Permit (other agency review)
X Reclaim unused part of wellsite if productive
__ Special construction methods to enhance reclamation
__ Other _____

Comments: Access will be through existing county roads and existing well access roads. A short access will be built into this location of about 1/8 of a mile. Drilling and reserve pit will be unlined. Reserve pit and drill pit fluids and cuttings will be allowed to dry in the pits. Once pits are dry, they will be filled with subsoil and the topsoil will be the last cover. No special concerns

Health Hazards/Noise

(possible concerns)
Proximity to public facilities/residences: None nearby. Closest residence is about 5/8 of a mile to the south from this location.
Possibility of H2S: Slight
Size of rig/length of drilling time: Small drilling rig/short 4 to 5 days drilling time.

Mitigation:
X Proper BOP equipment
__ Topographic sound barriers
__ H2S contingency and/or evacuation plan
__ Special equipment/procedures requirements
__ Other:_____

Comments: Adequate surface casing and working BOP should mitigate any problems. No concerns.

Wildlife/recreation

(possible concerns)
Proximity to sensitive wildlife areas (DFWP identified): None identified.
Proximity to recreation sites: None identified
Creation of new access to wildlife habitat: No
Conflict with game range/refuge management: No
Threatened or endangered Species: Species identified as threatened or endangered are the Bull Trout, Grizzly Bear and the Canada Lynx.

Mitigation:

__ Avoidance (topographic tolerance/exception)
__ Other agency review (DFWP, federal agencies, DSL)
__ Screening/fencing of pits, drillsite
__ Other:_____
Comments: Private cultivated surface lands. No live water. No Grizzly Bear or Canada Lynx inhabit this area. No concerns.

Historical/Cultural/Paleontological

(possible concerns)
Proximity to known sites: None identified.
Mitigation
__ avoidance (topographic tolerance, location exception)
__ other agency review (SHPO, DSL, federal agencies)
__ Other:_____
Comments: Private surface lands, cultivated field. No concerns.

Social/Economic

(possible concerns)
__ Substantial effect on tax base
__ Create demand for new governmental services
__ Population increase or relocation
Comments: No concerns. A development oil well in an existing oilfield, Red Creek Oil Field.

Remarks or Special Concerns for this site

Well is a 2900' Cut Bank and Madison Formation test.

Summary: Evaluation of Impacts and Cumulative effects

No significant impacts expected in the drilling of this oil well. Some short term surface impacts will occur.

I conclude that the approval of the subject Notice of Intent to Drill (does/**does not**) constitute a major action of state government significantly affecting the quality of the human environment, and (does/**does not**) require the preparation of an environmental impact statement.

Prepared by (BOGC): \s\Steven Sasaki
(title:) Chief Field Inspector
Date: May 14, 2010

Other Persons Contacted:

Montana Bureau of Mines and Geology, GWIC website
(Name and Agency)
Glacier County water wells.
(subject discussed)
May 14, 2010
(date)

US Fish and Wildlife, Region 6 website
(Name and Agency)
ENDANGERED, THREATENED, PROPOSED AND CANDIDATE SPECIES MONTANA COUNTIES, Glacier County
(subject discussed)

May 14, 2010
(date)

If location was inspected before permit approval:
Inspection date: _____
Inspector: _____
Others present during inspection:_____